

PDTAT434

**SOCIAL INSURANCE REFORM TRAINING PROGRAM
POLAND**

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FINAL REPORT: SOCIAL INSURANCE REFORM TRAINING PROGRAM

Three major reforms were launched in Poland in 1999: public health care, public education, and the social security system. These reforms significantly altered the programs but little public information was made available about the changes. As a result, the general public was uninformed and thus bewildered by the reforms and their impacts on systems already in place.

In an effort to generate a broad-based public information campaign, a training program on social insurance reform that was created through the Office of Government Plenipotentiary on Social Security Reform. The objective of the training program was to provide information about the new system to enterprises and to the largest possible group of workers, both union and non-union. Training was intended to explain the three pillars, or tiers, of the new system: Tier I: the universal; pay-as-you-go system; Tier II: the universal-funded system; and Tier III: the supplemental voluntary insurance system. NSZZ "Solidarnosc" agreed to participate as a training provider in this national effort (for project purposes, termed Stage I). An expanded training program, supplemented through USAID, was supported by the Solidarity Center (Stage II).

In January, 1999, NSZZ "Solidarnosc" was allocated 200,000 PLN (approx. US\$50,000) by the Polish Ministry of Labor and Social Policy to undertake a pilot program to train trainers and experts, prepare teaching materials, and provide necessary supplies and equipment. Program costs and administration were managed by the "Solidarnosc" economics department and the Office of Government Plenipotentiary.

The union federation agreed to conduct 217 training sessions at worksites around the country. The program was scheduled to take place during the first quarter of the year, January - March 1999. However, because of extended negotiations with government officials, implementation was delayed by almost two months.

Solidarnosc recruited trainers from among expert staff within its BKN (Consulting and Negotiation Bureaus) offices. The BKNs, established in 1990 through support from the

Solidarity Center, provide technical assistance to unions in negotiating agreements, understanding regulatory language, and interpreting other complex legal structures. BKN staff include a number of lawyers and economists. In the ten years since their founding, BKN experts have achieved a high level of credibility and trust among workers and their employers. The experts of BKNs were considered to be the most appropriate staff to tap to conduct the sessions. Additional recruiting was extended to the Regional Offices to augment the work of the BKN staff.

On February 11, 1999, 57 experts participated in train-the-trainer sessions conducted by the Office of Government Plenipotentiary of Social Security Reform:

1. Region Mazowsze	7 experts (BKN)
2. Region Malopolska	5 experts (BKN)
3. Region Dolny Slask	1 expert (BKN)
4. Region Gdansk	2 experts (1 BKN, 1 ZR)
5. Region Torun	2 experts (BKN)
6. Region Slasko-Dabrowski	5 experts (3 BKN, 2 ZR)
7. Region Srodkowowschodni	2 experts (ZR)
8. Region Wielkopolska	3 experts (BKN)
9. Region Rzeszow	2 experts (BKN)
10. Region Ziemia Lodzka	4 experts (2 BKN, 2 ZR)
11. Region Swietokrzyski	1 expert (BKN)
12. Region Pomorze Zachodnie	2 experts (1 BKN, 1 ZR)
13. Region Bialystok	2 experts (ZR)

Other Regional Offices:

1. ZR Elblag	1 expert
2. ZR Opole	1 expert
3. ZR Jelenia Gora	1 expert
4. ZR Przemysl	1 expert
5. ZR Wloclawek	3 experts
6. ZR Olsztyn	1 expert
7. ZR Slupsk	2 experts
8. ZR Kalisz	1 expert
9. ZR Bydgoszcz	1 expert
10. ZR Plock	1 expert
11. ZR Radom	1 expert
12. ZR Zielona Gora	2 experts
13. ZR Piotrkow Tryb.	1 expert
14. ZR Koszalin	2 experts

Participants were divided into three groups whose training schedule was as follows:

1st Tour

2nd Tour

I group	23-24.02.1999	8-9 .03. 1999
II group	02-03.03.1999	15-16 .03 1999
III group	17-18.03.1999	29-30.03.1999

The Office of Government Plenipotentiary provided trainers with policy information and implementation materials. Solidarnosc provided overhead projectors to assist trainers. In recognition of the amount of training needed to achieve public understanding of the social security reforms, Solidarnosc and the Solidarity Center signed an agreement in April 1999 to fund an additional 1090 workplace training seminars. A grant for US\$340,000 from USAID was allocated to achieve the training objectives by the end of July 1999.

The representatives of Government Plenipotentiary Office and USAID signed an "Open Letter" which was sent to Polish employers explaining the goals of the program and the implementation schedule for training. Employers were asked to release workers and managerial staff during working hours to attend. Solidarnosc trainers began workplace-based training sessions in April 1999.

The training programs focused on all types of enterprises (small, medium, and large) and were directed toward workers, union leaders, and employers. Training modules were developed to provide general information, address pension fund issues, and analyze workers' pension programs. Each four-hour session accommodated approximately 30 participants. An additional four hours of individual consultations were scheduled to respond to specific inquiries. Training sessions were documented through sign-in sheets and brief questionnaires which provided a measure of the scope of training and geographic outreach.

The list below identifies Stage II training sessions completed in the respective union regions. The lists of participants and completed questionnaires are available in the Economic Department of NSZZ Solidarnosc in Gdansk, Waly Piastowskie 24, tel. 0-58-3084240.

Region	Number of training sessions
Koszalin	54
Przemysl	42
Slupsk	38
Krakow	1
Warszawa	86
Lublin	31
Jelenia Gora	86
Bialystok	62
Rzeszow	23
Lodz	170
Plock	1
Gdansk	72
Wloclawek	52
Piotrkow Trybunalski	65
Torun	15

Elblag	28
Zielona Gora	18
Kielce	20
Poznan	26
Opole	22
Wroclaw	106
Olsztyn	12
TOTAL	1030

The number of completed training sessions fell short of the 1090 intended in the grant for a number of reasons. Implementation, which was delayed until the summer months, was seen as a significant handicap. The program was therefore extended to be completed by October 1999. The atmosphere in which the reforms were undertaken saw some sectors, such as mining, resistant to pension reforms which failed to address their specific concerns (e.g., bridge pensions). ZUS, the Polish social security agency, was perceived as a floundering agency as it wrestled internally to adjust to its new reform mandates problems and issued inconsistent data and information which added to public apprehensions.

DATA ANALYSIS

The following sample analysis of 130 training sessions (in Stage I), or 10% of the total, was prepared by the Solidarnosc economics department.

Of the 3685 participants (an average 28+ per training session), 1708 were female, 1977 were male. Some participants declined to include age, fearful of how the data might be used.

Complete data, including age, is available for 1424 males and 1411 females in the sample group.

	Under 30		31-50		Over 51		Others *	Total
	No	%	No	%	No	%	No	
M	197	14	1055	74	172	12	553	1977
F	202	14	1088	77	121	9	297	1708
Total								3685

* no age indicated

ASSESSMENT/ COMMENTS OF THE TRAINERS

During periodic project assessments, trainers have commented on the following factors which have affected training implementation.

(A) Had the sessions begun in January 1999 as originally planned, workers and employers would have received important information which would have aided their understanding of sales presentations by brokers pitching the Open Pension Funds program. Instead, the basic training took place following presentations by the brokers.

(B) Employers were reluctant to release employees to attend the training sessions during working hours, despite the Ministry's letter requesting them to do so. On the other hand, employees were not interested in attending evening training sessions.

(C) Trainers while conducting the program stated that logistical problems hampered other efforts. Some politically-charged trainers recommended extending the training period to incorporate changes which will occur in workers' pension plans newly-negotiated in early 2000.

Trainers forwarded issues raised by participants in their classes. There were numerous requests for more information on contribution levels and state guarantees for Tier II, the universal-funded system, and more data on Tier III, the supplemental voluntary insurance system. Workers and employers wanted detailed information on pension calculations when documents reflecting previous income earned are missing; regulations dealing with inheritance of monies accumulated in Tier II, the universal-fund, are missing and inconsistent with the Civil Code; data collection systems are insufficient to deal with workplace closures or credit pensioners who continue to work; the operations of brokers promoting various supplemental insurance schemes are not adequately regulated or overseen; working parents who must care for disabled family members lack early retirement options; and comments that the new pension system ignores problems created for older workers, and in particular women, displaced by plant closings and economic restructuring.

The assessments and comments were submitted to Office of Government Plenipotentiary experts for review and response.

OBSERVATIONS

Delays in timely implementation of the program significantly affected trainers' abilities to organize the intended number of sessions, particularly during the summer months when workers and employers were difficult to contact.

The reorganization of ZUS (the state social security agency) begun in January 1999 and relied heavily on a new computer program to reliably collect contributions. In mid-year, the general public was informed that the program was not operating properly and that contributions had not been collected or credited. This situation created a crisis in public confidence in the new system and those who were responsible for managing it. The problem now has been corrected for the most part. However, although the training program has ended, the BKN trainers continue to be called upon to conduct enterprise-level training sessions.

Negotiated changes at the government level for the Tier III voluntary insurance program began in early 2000 in Poland, and thus increased the interest in the plan among affected workers who want to know more about it and their options. Similarly, union leaders have little

information and are handicapped in their dealings with employers. The need for accurate information and extensive training programs is essential for the future success of this critical social insurance program.